THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI - GIRIDHAR GOMANGO) : (a) No proposal for financial assistance has been received in the Ministry from the Government of Tamil Nadu for food processing unit in Salem for preserving special variety of mango during the season.

(b) Financial assistance under the plan scheme formulated by this Ministry is provided for viable proposals received through the State Government for establishment or upgradating fruits and vegetable processing facilities upto a maximum of 50% (60% in industrially backward districts, 75% in 1TDP districts, north-eastern and .hilly states) of the non-recurring cost if they are set up by the State government undertakings, cooperatives, autonomous bodies, etc. In case of joint sector projects the assistance under the scheme is limited to 50% of the amount required to be paid by the State Government Undertaking. In case of assisted/private sector units that are to be set up in the rural areas, financial assistance upto 15% of the promoters share/equity could be made available by way of seed capital/ equity to meet the part of the capital cost subject to a ceiling of Rs. 15 lakhs per unit. Preferences are given to export oriented units.

**Food Processing Industries in Andhra Pradesh**

1028. DR. YELAMANCHILI SIVAJI : Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state :

(a) what steps have been takea by Government to augment, food processing industries in Andhra Pradesh;

(b) whether there are any specific proposals from the State Government, A.P.I. D.C. or private agencies in this regard; and

(c) if so, what are the details thereof and what is the stage of their consideration?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI GIRIDHAR GOMANGO): (a) Government has provided several incentives for setting up food processing industries. These include delicensing subject to satisfaction of locational parameters, reliefs in union excise and customs duties, automatic permission for foreign equity participation upto 51% (100% in the case of NRIs and OCBs), etc. This Ministry has also formulated several developmental plan schemes for providing assistance for setting up of food processing industries In the joint sector/ co-operatives/state government organisations, etc. In addition the government of Andhra "Pradesh also provides several incentives for setting up certain food processing industries which include investment subsidy in certain areas, sales tax exemption upto a period of 5 years and power subsidy for an initial period of 3 years etc.

(b) and (c) Details of proposals received and assistance provided are attached as statement.

**STATEMENT**

DETATLS OF PROPOSALS FOR ASSISTANCE RECEIVED FROM THE GOVERNMENT OF ANDHRA PRADESH

| Year | Assistance sought | Assistance provided |
|---|---|---|
| 1991-92 | Andhra Pradesh Meat and Poultry Development Corpn. Ltd., Hyd., for establishing a Poultry Processing Plant in the State. | Rs. 76.5 lakhs as equity share capital and a Loan of Rs. 41.5 lakhs. |
| Do. | Deptt. of Horticulture Govt. of Andhra Pradesh for development of infrastructure for mushroom cultivation and processing. | Grant-in-aid for Rs. 2.047 lakhs. |
| Do. | Deptt. of Horticulture, Govt. of Andhra Pradesh for mushroom laboratory and processing units. | Grant-in-aid for Rs. 32.25 lakhs. |

| Year | Assistance sought | Assistance provided |
|---|---|---|
| 1991-92 | M/s. Girijan Coop. Corpn. Ltd. for installation of modern honey processing plant with other infrastructure facilities. | Grant-in-aid for Rs. 17.10 lakhs |
| Do. | M/s. Girijan Coop. Society Ltd., Vizag for promotion of commercial mushroom production in tribal areas of Andhra Pradesh. | Grant-in-aid for Rs. 17.21 lakhs |
| Do. | M/s. Girijan Coop. Corpn. Ltd., for preparation of a Techno-economic Report on growing of pineapple, aspurgas, bamboo shoots and baby corn. | Action has been initiated. |
| 1992-93 | Andhra Pradesh Fisheries Corpn., for setting up Cold Chain in fisheries. | Grant-in-aid for Rs. 39.5 lakhs. |
| Do. | A proposal from a private entrepreneur was received for establishing a poultry processing plant at a cost of Rs. 258.25 lakhs. | Action has been initiated. |

**Incentives to Entrepreneurs in food processing industries**

1029. SHRI H. HANUMANTHAPPA : Will the Minister of FOOD PROCESSING INDUSTRIES *be* pleased to state :

(a) what ate the incentives being given to entrepreneurs in the food processing industry;

(b) what is the number of units State-wise and item-wise functioning in the industry; and

(c) what is the number of applications which are still pending ?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI GIRIDHAR GOMANGO) : (a) Several incentives are provided to entrepreneurs for setting up the food processing industries. Under the new Industrial Policy, a large number of food processing industries have been placed in the high priority list. Subject to Socational criteria, requirements of industrial licence for manufacture of majority of the food products have been done away with except for beer and potable alcohol and the items reserved for exclusive manufacture in small scale sector. Scheme of automatic approval for foreign collaboration upto *Si%* foreign equity have been atmounoed and procedures for foreign collaboration and technology agreement have been simplified. Non-Resident Indians (NRIs) and Overseas Corporate Bodies predominently owned by NRIs are permitted to invest upto 100% of the equity in these industries. Fiscal incentives such as removal and/or reduction of Union excise duty for certain food products, glass containers etc. and reduction in customs duty for plant and machinery and for project import that have been provided can be availed by all food processing industries. Besides, this Ministry has also formulated several developmental plan schemes which seek to provide assistance for setting up of food processing industries.

(b) While information in regard to all food processing industries is not maintained centrally, information with regard to number of rice mills, roller flour mills. fruits and vegetables processing units and sweatened aerated water manufacturing units that are registered under FPO' and fish processing units, statewise are given in annexure *[See* Appendix CLXV, Annexure No. 151.

(c) while all food processing industries •> except for beer and alcohol have been delicensed, the information regarding the number of beer and alcohol cases pending is being collected and will be laid on the Table of the House.